

Pre Proposal Conference
Frequently Asked Questions

1. Please clarify the deadline date for the submission of applications.

Ans: Friday, November 17, 2006, at 4:00 p.m.

- 2.a The NOFA appears to not allow for funding for existing multifamily buildings that need rehab and are slated to become homeownership (either coop or condo). Is this true? Will DHCD fund these kinds of projects?

Ans: The Request for Proposals does allow for funding of existing multi-family buildings that need rehab and are slated to become homeownership (coop or condo).

- b. The NOFA appears to not allow for funding for existing small multifamily buildings (4 units or less) that need rehab and are slated to become homeownership (either coop or condo). Is this true? Will DHCD fund these kinds of projects?

Ans: The Request for Proposals is for projects that have five (5) or more units.

- c. The NOFA appears to not allow for funding for existing single family homes (either detached or row houses/townhouses) that will be renovated by nonprofit developers for homeownership. Is this true? Will DHCD fund these kinds of projects?

Ans: The Request for Proposals is for projects that have five (5) or more units.

3. What is the breakdown of funds that are being made available from each source: CDBG and HPTF. The amounts available by source could have a bearing on whether to apply (see question 2).

Ans: The breakdown of funds available from each source is in the Request for Proposals document. The amount of funds available for the various types of projects is also shown in Table 3.

4. Since each of the sources of funding offered in the NOFA have different rules governing their use, will applicants be allowed to apply for a particular source of funds?

Ans: Yes. The applicants can request and apply for a particular source of funds. However, DHCD has the sole discretion to determine the final funding source after due diligence and underwriting is completed on projects that are selected.

5. Will existing or new (proposed) regulations be followed in awarding funding from the Housing Production Trust Fund?

Ans: DHCD will make awards of HPTF monies consistent with the Housing Production Trust Fund Act of 1988, as amended by the Housing Act of 2002 and the Fiscal Year 2003 Budget Support Act of 2002. DHCD also will make the awards consistent with the amended Housing Production Trust Fund regulations that will be in place at the time of award. Applicants should use the regulations currently published in the RFP Reference Guidebook.

- 6.a. It is not clear whether our programs for homeless women and children located in two old row houses would be eligible for funds from this RFP. Are they to be used only for new building purchases, new constructions and building rehabilitation?

Ans: Transitional Housing is eligible for capital costs under the Housing Production Trust Fund (HPTF) funding source. This includes acquisition, and new construction or rehabilitation of an existing building.

- 6.b. Is there any program funding for operations for transitional (6 to 15 months) housing for homeless individuals?

Ans: While program/operating costs are not eligible under HPTF, they are under CDBG. As it states under HUD CDBG regs 24 CFR Part 570.201(e) [Public services]: “To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service...”. Either way, the funding will be for one year only, and DHCD would look to see if the applicant has other sources of funding for the first year and beyond to show sustainable operations. If partial first year program costs are provided, it would be in conjunction with new construction or rehab, and not by itself for an existing operation. That would be the domain of other agencies.

7. I cannot find the following forms that were in the Exhibit Checklist Document and listed as to have been provided:

- ? Form 203: Developer Qualifications
 - ? Development Team Member Current Workload
 - ? Supplement to AIA Document A305
- How can I obtain them?

Ans: The forms are included in Addendum #1, and are also on the web at www.dhcd.dc.gov. Click on “full text”, then “Exhibit Checklist”, and then “Development Team”.

8. I have limited resources and my sole interest lies in creating housing for elderly individuals who seek decent housing accommodations. How can I become eligible for these monies as well as provide a comfortable environment for these persons?

Ans: As the Application is quite detailed, and requires a level of team experience, you may want to team with an organization that has done this before.

9. Are Housing Production Trust Funds available as grants? If so, what are the stipulations for this? For nonprofits like SOME which want to target 10% of units to very low-income families, it makes a tremendous difference in whether or not we can support the debt service of the entire project depending on whether or not we can get a grant or a loan from DHCD.

Ans: The current HPTF regulations do not provide for grants under the Housing Production Loan Component. (Narrowly defined grants are provided for under the Special Financial Products Component. [10-41-4109] – see RFP Reference Guidebook). Proposed changes to the HPTF regs include providing grants to broaden the HP Loan Component. We expect the proposed changes to be approved, but that is not certain. A Council hearing is scheduled for September. DHCD will work with whatever currently approved regulations exist during the evaluation and selection process. It is therefore the applicant's choice as to whether to apply if its project is grant dependent, as the proposed changes may or may not be approved during the RFP evaluation and selection phase. In any case, DHCD reserves the right to determine the specifics of the grant (e.g., amount; loan/grant combination) during the underwriting phase.

10. What repayment terms at what interest rate would the Housing Production Trust funds be available?

Ans: The term of the loan may be up to 40 years, or the term of the superior mortgage, if any, whichever is longer?

The interest rate is not fixed. An applicant may propose an interest rate for its Project. If that project is selected for underwriting, the actual rate will be negotiated during the underwriting phase.

Other specifics of the loan terms may be proposed in the RFP response, and also will be negotiated during the underwriting phase. See also HPTF regs 4104.4 – Attachment A, pg 1-9 of the RFP Guidebook. There is no proposed change to the regulations for this section.

11.a How do I access the application in electronic format?

Ans: We have decided not to post the “fillable” Form 202 main application, so please ignore the electronic version optional submission. The Form 202 is on the DHCD Website at www.dhcd.dc.gov and can be printed to access the physical form.

11.b. May I retype the question in the application and create my own spreadsheets (which have the same categories as the DHCD forms) and print them off for submission, rather than find a typewriter to use to enter data?

Ans: In creating the spreadsheets you should copy the cell cost elements from the applications since the Web spreadsheets are not “fillable”. For the rest of the application, you may fill the forms out in pen (please print legibly). This should be relatively fast and easy, and avoids the typewriter. It is requested that you not try to duplicate the forms electronically by retyping them, as it is important that the forms be standard to assist in review and valuation.

12. How do I get a list of qualified census tracts as defined in Sec 42(d)(5)(C) of the IRS code (application, p.8)?

Ans: The list is the same as the census tracts listed in the RFP Reference Guide beginning with page 2-5.

13. I have been examining your RFP for the Housing Production Trust Fund, HOME, CDBG and LIHTC programs. How do I obtain an RFP Reference Guidebook and a DFD Financing Application Submission Package (Instructions, Application Forms and Exhibits)? Am I correct that both of these documents are necessary for us to apply?

Ans: All of the documents can either be picked up here at DHCD, 2nd floor receptionist, or can be downloaded from the web at www.dhcd.dc.gov . All are needed to apply.

14. Under "efficient use" and "leveraging" ranking criteria, how do you calculate with LIHTCs? Are they considered a DHCD subsidy? If so, do we include the annual allocation or the total expected yield from investors as part of % of total development cost? Or do we just include HPTF, HOME and CDBG funds in the numerator and total development costs in denominator?

Ans: Yes, LIHTCs are to be considered a DHCD subsidy. In calculating the leverage or efficient number, the total DHCD investment must be subtracted from the total development cost and this new number is the numerator (top number) divided by the DHCD contribution (denominator) or bottom number to achieve these numbers.

15. In a "preservation" project where a Section 8 contract has expired and is under annual renewal, do we get credit if we allow project-based contract to expire but agree to continue serving current residents through vouchers, continued targeting at extremely low/very low income, but introduce some amount of mixed income to promote project stability? I suggest this because it will stabilize property by shielding it from risk of annual renewals and introduce a mix (although all below 80% AMI) that will create a healthier community.

Ans: To allow the project-based contract to expire will impact the affordability and retention scoring. The targeting of low and very-low income families and the introduction of higher incomes are admirable goals; however, it raises the question of displacement of existing residents. Also, how you will calculate the rental income with vouchers and ensure the stability of the voucher income and how will the LIHTC syndicator treat it?

16. What are key proposed changes in HPTF law and will they affect retroactively applications going in this year using current law assumptions?

Ans: It is our understanding that the changes in the HPTF requirements were effective immediately and apply to projects responding to this RFP.